

**TIMBER SALE PROSPECTUS**

|                          |                   |                          |               |
|--------------------------|-------------------|--------------------------|---------------|
| <b>Sale Name :</b>       | Madton            | <b>Type of Sale :</b>    | Premeasured   |
| <b>National Forest :</b> | Ozark St. Francis | <b>Ranger District :</b> | Pleasant Hill |
| <b>Bidding Method :</b>  | Sealed Bid        | <b>Bid Guarantee :</b>   | \$11,600.00   |

**Location of Bid Opening :** Supervisor's Office, 605 W. Main, Russellville, Arkansas

**Date :** 06/16/2011

**Time :** 02:00 PM

**1. INTRODUCTION.** This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale Contract 2400-6T will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

**2. BIDDING.** This is a Sealed Bid sale. Bidders must submit sealed bids on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

**3. LOCATION AND DESCRIPTION OF TIMBER.** Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of payment units, location of cutting units, the acreage of sale area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

The sale area is located on the Ozark National Forest, Pleasant Hill Ranger District, approximately 3 miles northwest of Fallsville, Arkansas in Madison and Johnson Counties. The sale area is about 1500 acres of which 394 acres are marked for Hardwood Commercial thinning and 87 acres are marked for Hardwood Shleterwood and 12 acres are marked for pine thinning.

This is a pre-measured timber sale. The following listing of Included Timber is for information only. Refer to the sample contract for specific requirements.

All trees that meet utilization standards listed in AT2 within Individual Tree Marked Payment Units 1-16 & 21 (CTM as shown on the Sale Area Map) that are designated for cutting have been marked by paint spots below stump height and at about eye level. All Payment Units are marked in Blue paint. Sawtimber trees have 2 spots on the stump and small roundwood trees have one mark. The minimum pulpwood piece required is 15 feet to the small end diameter of 4" outside bark. Any piece meeting minimum size specifications prior to bucking must be removed. Bucking into less than minimum piece specifications will not be allowed.

**4. TIMBER QUANTITIES AND RATES.** The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN

ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

**Road Construction Costs.** The advertised rate does not include the estimated cost of specified road construction. The estimated road construction cost has been included in the appraisal as a cost that the purchaser will incur. The purchaser will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT and bidders should consider the cost of road construction when developing their bids.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

### Estimated Quantities and Rates per Unit of Measure

|                    |           |                 |                      |             |                  |            | Required Deposits |                  |
|--------------------|-----------|-----------------|----------------------|-------------|------------------|------------|-------------------|------------------|
| Species            | Product   | Unit of Measure | Estimated Quantities | Average DBH | Advertised Rates | Base Rates | Slash Disposal    | Road Maintenance |
| Hardwood Sawtimber | Sawtimber | CCF             | 3,190.00             | N/A         | \$35.65          | \$17.50    | \$0.00            | \$0.00           |
| Pine Sawtimber     | Sawtimber | CCF             | 58.00                | N/A         | \$31.71          | \$15.89    | \$0.00            | \$0.00           |
| <b>TOTAL</b>       |           | CCF             | 3,248.00             |             |                  |            | \$0.00            | \$0.00           |

### Timber Subject to Agreement

| Species            | Product  | Unit of Measure | Fixed Rates | Slash Disposal Deposits | Road Maintenance Deposits |
|--------------------|----------|-----------------|-------------|-------------------------|---------------------------|
| Combined Hardwoods | Pulpwood | CCF             | \$3.00      |                         |                           |
| Combined Softwoods | Pulpwood | CCF             | \$3.00      |                         |                           |

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$92,431.00 is included in total timber value.

**5. PERIOD OF CONTRACT.** The normal operating season covers the period between 03/15 and 12/15. Contract termination date is 10/31/2013. Extensions of this contract may be granted only when the purchaser has met specified conditions.

If an appeal or lawsuit is filed challenging the decision to award this contract or upon determination by the Regional Forester that conditions existing on this timber sale are the same as, or nearly the same as, conditions existing on other timber sale(s) in appeal or litigation, Contracting Officer may delay award or reject all bids. If delay in award is for 30 days or more during Normal Operating Season after bid opening, Contracting Officer shall, upon award, adjust the contract term to include additional calendar days in one or more Normal Operating Seasons equal to the time award is delayed during Normal Operating Season.

The purchaser must submit a Plan of Operations to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the Plan of Operations, the purchaser must submit an annual Operating Schedule before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual Operating Schedule does not require concurrence of the Forest Service.

**6. PAYMENT.** Payment for timber and any required deposits for slash disposal or road maintenance are required in advance

of cutting. Purchaser may provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. The purchaser shall make advance deposits in accordance with B(T)(P)4.212 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the total advertised value and 20 percent of the bid premium. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until stumpage value representing 25 percent of the total bid value of the sale is shown to have been cut, removed, and paid for on the statement of account.

By 04/24/2013, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100.

**7. PERFORMANCE BOND.** A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000. In no case will the performance bond be less than \$12,000.00. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 6 months past the contract termination date.

**8. SPECIFIED ROADS.** The Forest Service has determined that the following National Forest System roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications. CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

### Specified Roads

| Road Number | Road Name | Termini |    | Traffic Service Level | Approximate Kilometers | Approximate Miles | Estimated Cost | Type of Work * |
|-------------|-----------|---------|----|-----------------------|------------------------|-------------------|----------------|----------------|
|             |           | From    | To |                       |                        |                   |                |                |
| 94605G      | Unnamed   | 0       | .4 | D                     | 0.64                   | 0.4               | \$28,951.10    | R              |

\* C = Construction  
R = Reconstruction

The latest specified road completion date is 10/15/2012. If provision C(T)5.13# - Road Completion Date has different dates for projects, this is the final road completion date.

Total estimated construction cost allowed in appraisal is \$30,951.10

The estimated road construction cost includes the cost of road reconstruction engineering services, pursuant to Public Law 88-657, 78 Stat. 1089, 16 U.S.C. 532-537. Refer to C(T)5.213# - Deposit for Reconstruction Engineering Services in the sample contract for additional information.

Purchaser shall make a cash deposit in the amount \$2,000.00 for engineering services completed by Forest Service in preparation of this contract. The Forest Service shall complete reconstruction related engineering services on the following schedule:

**NOT APPLICABLE.**

**9. ROAD MAINTENANCE.** Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on

roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed in Section 4 and in the sample contract. Maintenance specifications are in the sample contract.

**10. INAPPLICABLE STANDARD PROVISIONS.** See sample contract.

**11. SPECIAL PROVISIONS.** See sample contract.

**12. FINANCIAL ASSISTANCE.** The Small Business Administration (SBA) may be able to assist small business concerns in financing construction of specified roads listed in the sample timber sale contract. Such SBA assistance, if available, may be in the form of guaranteed bank loans or direct participation SBA loans. Applicants must meet SBA size and eligibility requirements. **APPLICANTS ALSO MUST MEET CREDIT REQUIREMENTS OF SBA AND/OR A LOCAL BANK. APPROVAL OF LOAN ASSISTANCE RESTS WITH SBA AND IS CONTINGENT ON AVAILABILITY OF LOCAL FUNDS OR SBA FUNDS. FAILURE TO BE ELIGIBLE OR TO OBTAIN A LOAN IN NO WAY AFFECTS REQUIREMENTS OF BID FOR ADVERTISED TIMBER SALE OR THE TIMBER SALE CONTRACT.** If requested by the purchaser, the timber sale contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

**13. SET-ASIDE SALES.** Not Applicable.

**14. LOG EXPORT AND SUBSTITUTION RESTRICTIONS.** Not Applicable.

**15. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW.** If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967 and Executive Order No. 12086 of October 5, 1978.

**16. AWARD.** The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that, to the best of bidder's knowledge the bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and, if awarded this contract, that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

**17. FALSE STATEMENTS ACT.** Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

**18. DAMAGES.** This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

**19. SUSPENSION AND DEBARMENT CERTIFICATION.** Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding. Also, as a timber sale purchaser enters into transactions with subcontractors, these subcontractors must certify their eligibility. The certification titled "Subcontractor Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" must be provided to subcontractors, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractor transactions are provided as an addendum to the bid form.

**20. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS.** Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, U.S. Dept of Labor OSHA, 10810 Executive Center Drive, Danville Bldg, Suite 206 Little Rock, AR 72211, 501-224-1841.

## **21. GENERAL.**

**\*\*ATTENTION ATTENTION ATTENTION\*\***

NEW HARDWOOD SAWTIMBER SPECIFICATIONS FOR THE OZARK-ST FRANCIS NF.  
THE HARDWOOD SAWTIMBER PRODUCT DBH STARTS AT 14.0"(PREVIOUS TIMBER SALES USED 12.0").THE  
HARDWOOD PULPWOOD PRODUCT CLASS NOW RUNS FROM 8.0" TO 13.9"

**Pre-operations Meeting:** The Purchaser or its representative shall have a pre-operations meeting with the Forest Service Representative before operations begin. This meeting is to provide each party an opportunity to discuss the details of the contract, billing procedures, logging plans, roads to be used for hauling and other matters pertinent to the timber sale.

No specific show-me-trip has been scheduled for this timber sale. If you desire a field review please contact the district office to schedule a tour.

**Erosion Control Requirements:** This sale has an estimated 17 acres of erosion control work. Purchaser shall revegetate areas where soil disturbances by Purchaser's operations will result in soil losses from erosion, normally by seeding or planting with grasses or other suitable plant material. Purchaser shall vegetate areas designated by the Forest Service in accordance with the specifications listed in the Contract, including temporary roads, skid trails, and landings. Refer to the sample contract for specific requirements.

**Temporary Road Construction:** There is an estimated 1.6 miles of temporary road construction in the sale. The location and clearing

widths of all temporary roads and landings shall be agreed to and all timber within the clearing limits shall be paid for before construction is started. The purchaser, under average conditions, will need to place 90 tons of gravel on Temporary Roads at locations designated by the Forest Service. These locations include approaches to surfaced roads, streamcourse crossings, steep grades, or at moist sites and fills over culverts. Refer to the sample contract for specific requirements.

**Slash Disposal Requirements:** Purchaser shall remove all logging slash and other debris resulting from Purchaser's operations from cleared pipeline and power line rights-of-way, road surfaces, shoulders, and drainage ditches, trails, and from protected streamcourses shown on the Sale Area Map. This sale also has a specific Slash Treatment Zone identified on the Sale Area Map. Refer to the sample contract for specific requirements.

**Requirements for Protection of Special Areas:** Special Areas, designated with an "SA" on the Sale Area Map, will require special protection measures. Refer to the sample contract for specific requirements.

**Streamcourse Protection Requirements:** Culverts, bridges, or fords shall be required where temporary roads or skid roads cross protected streamcourses shown on the Sale Area Map. All vehicles are prohibited within a Pink marked boundary along either side of streamcourses designated on the Sale Area Map. Vehicles will be allowed to enter streamcourses only at locations designated by the Forest Service, or as essential to construction or removal of culverts or bridges. Refer to the sample contract for specific requirements.

The purchaser will be required to perform pre, during, and post haul road maintenance for approximately 8.5 miles of existing roads as specified in the sample contract under CT5.31.

Pre-haul maintenance must be complete before any hauling is permitted. Roads 94279A, 94279B, 94279C, 94279E, 94279F, 94279G, 94279J, 94279K, 94279L, 94279M and 94605A require the following pre-haul maintenance : all roads require dozer blading. Roads 94279A, 94279C, 94279E, 94279G, 94279J, 94279K, 94279L and 94279M also require dip installation. Road 94605A requires 162 tons of 3" gravel and 36 tons of SB2.

The following roads require dozer blading and gravel as indicated for during haul maintenance: Roads 94279A (18 tons of SB2, and 108 tons of 3" gravel), 94279B (162 tons of 3" gravel), 94279C (126 tons of 3" and 36 tons of 7" oversize), 94279E (90 tons of 3" and 18 tons of 7" oversize) , 94279F(36 tons of 3" gravel), 94279G (18 tons of SB2), 94279J 36 tons of 3" gravel), 94279K (18 tons of 3" gravel), 94279L (108 tons of 3" gravel) , 94279M ( 36 tons of 3" gravel). Road 94605A only requires dozer blading.

Roads 94279B, 94279C, 94279G, 94279J, 94279K, 94279L, 94279M require waterbars and seeding for post haul maintenance.

Rock required in the maintenance of the roads will be placed at locations designated by the Forest Service. If this material is not needed, the estimated cost shall be charged to the Timber Sale Account in accordance to BT8.23 of the contract.

This sale requires DEPOSITS FOR RECONSTRUCTION ENGINEERING SERVICES (CT5.213#). The purchaser will be required to make a cash deposit in the amount of \$2,000.00 for engineering services in regards to the road reconstruction. This amount is in addition to the specified road costs and should be considered when preparing a bid. The DRES is due and payable at the end of the 1st normal operating season or 12 months from sale award date, whichever occurs first.

In addition to the volume listed on the bid form and on page 2 of this prospectus there is 1939 CCF's of hardwood small roundwood (pulpwood and topwood) that can be purchased at the fixed rate of \$3.00 per CCF and 58 CCF's of pine small roundwood (pulpwood and topwood) that can be purchased at the fixed rate of \$3.00 per CCF. If the high bidder chooses to purchase this small roundwood it will be added to the contract after bid opening and listed as Timber Subject to Agreement. If Timber Subject to Agreement is purchased, then these trees must be felled, but removal is optional.

The USDA is an equal opportunity provider and employer